



**Director of  
Central  
Intelligence**

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# **National Intelligence Daily**

*Saturday  
27 August 1983*

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**USSR: New INF Proposal**

*General Secretary Andropov's offer to destroy some SS-20 missiles in the western USSR under an INF agreement is intended to suggest Soviet flexibility but would allow Moscow to retain a 3-to-1 warhead advantage over the UK and France.* [ ]

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Andropov says the USSR would be willing to destroy all the medium-range missiles—including a “considerable” but unspecified number of SS-20s—removed under the terms of an agreement. He insists that such an agreement permit the Soviets to retain medium-range missiles in the European USSR “equal to the number of British and French missiles” and include a decision by the US not to deploy Pershing II and cruise missiles in Western Europe. [ ]

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**Comment:** This is the first authoritative statement that all missiles removed from the European USSR, including SS-20s, would be destroyed. The announcement apparently is intended to deflect criticism that Moscow is not serious about reducing absolute numbers of modern medium-range missiles. Previous Soviet proposals that the missiles be “removed” had raised Chinese and Japanese fears that the weapons could be shifted to the Far East and caused West European concern that they could be redeployed quickly. [ ]

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Andropov's proposal may receive support from Western peace groups, but it will not change the basic position of West European governments that national nuclear forces cannot be included in INF negotiations. Further indications of Soviet “flexibility”—largely intended for West European consumption—are likely, perhaps at the opening of the next round of INF talks on 6 September or at the UN General Assembly session the following week. [ ]

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**PAKISTAN: Anti-US Trend in Protests**

*Scattered violence continues in Sind Province, amid signs that opposition agitators are beginning to emphasize anti-US themes.*

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Demonstrators in Karachi and Quetta used anti-US slogans on Thursday. The US Consulate General in Karachi reports that anti-US sentiment is strong among street-level opposition workers, who believe that the US is helping to keep President Zia in power. Moderate leaders of the Pakistan People's Party have told US officials in the past that they would use anti-US themes if necessary to start a movement or to keep one going.

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All police leaves were canceled and Army units put on alert in Sind as a precautionary move yesterday, the Muslim sabbath. The Army reportedly has isolated several towns in Sind, but it continues to rely on the police to put down riots.

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The press reports that four senior opposition leaders have been taken to a government rest house near Karachi. This has led to speculation that the government is preparing for a political dialogue.

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**Comment:** Substantial anti-US sentiment exists among supporters of the People's Party, who believe that the US was behind the overthrow and execution of former Prime Minister Bhutto. Anti-US incidents are likely to increase as opposition agitators seek to keep the protests going in Sind and spread them to Punjab.

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Zia may see an opportunity to divide the opposition. The moderates in the movement probably have strengthened their political credibility by going to jail and may now be prepared to negotiate. On the other hand, more radical groups—who apparently are controlling day-to-day actions in Karachi—will try to sustain the agitation by appealing to pro-Bhutto loyalties and anti-US sentiment.

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A map of Southern Africa showing the capture of Soviet geologists by disjuncts. The map includes the following countries and regions: Tanzania, Zambia, Malawi, Mozambique, Zimbabwe, South Africa, and Swaziland. Key cities marked with stars are Lilongwe (Malawi), Harare (Zimbabwe), Maputo (Mozambique), and Mbabane (Swaziland). The map shows major rivers: Lake Nyasa, Rio Limpopo, Rio Save, Rio Orange, and Rio Senegal. A specific location is marked with a circled 'X' and labeled "Soviet geologists captured by disjuncts". A scale bar at the bottom right indicates 0 to 200 Kilometers.

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**MOZAMBIQUE-USSR: Insurgent Operations**

*The capture of 24 Soviet geologists on Sunday by South African-backed insurgents is designed to gain international attention and shake Maputo's self confidence.* [REDACTED]

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The incident is part of a general offensive by the National Resistance Movement that has featured raids on roads, rail lines, and isolated government positions. Maputo has linked Pretoria to the Soviets' capture. [REDACTED]

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The guerrillas have operated throughout the country, except for the northernmost provinces. They have been the most active in central Mozambique. [REDACTED]

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**Comment:** The insurgents probably will demand that Maputo free political prisoners in return for the captives' release. In the past two years, the Movement has captured 26 foreigners working in Mozambique but has released unharmed all 20 Westerners among the hostages. Six Bulgarian technicians captured last year were held for several months until they were freed by Mozambican troops.

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Soviet media have not mentioned the kidnaping yet, and Moscow probably is urging Maputo to seek the hostages' release through diplomatic channels. The Soviets are likely to hesitate to encourage—or become directly involved in—any use of force, at least until diplomatic efforts have been exhausted. [REDACTED]

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Maputo's concern about the insurgent threat seems to have declined since last year, partly as a result of increased Soviet military assistance. The kidnaping may prompt calls for additional Soviet and Cuban material support. [REDACTED]

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**EC-US: Possible Impact of Coal Policy**

*A proposed new EC subsidy to the domestic coal industry is likely to reduce EC imports of US coal.* [redacted]

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To increase domestic energy production, the EC Commission has developed a comprehensive program to promote greater use of solid fuels. Much of the program involves using subsidies to modernize marginally economic mines or increase production of peat and lignite.

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One aspect of this plan, however, is a subsidy scheme to reduce the Community's nearly 56 million tons of coal stocks. This is the highest level since 1978. [redacted]

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The plan would provide a subsidy of \$8.50 per ton for up to 10 million tons annually. Producers receiving these funds could use them for any purpose, including directly subsidizing selling prices by 12 to 16 percent per ton. [redacted]

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**Comment:** If EC producers dump an additional 10 million tons of coal on the EC market, it is likely to be at the expense of third country suppliers. The US is already one of the highest cost suppliers to the EC, and it probably would bear the brunt of most of the lost sales. The potential additional domestic coal represents about 30 percent—or about \$600 million worth—of US coal exports to the EC. [redacted]

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The principal beneficiary of the subsidy would be the UK, which is the EC's largest coal producer. The subsidy might be one method of providing additional EC budgetary flows to the UK to offset what London regards as its excessive contribution to the Community budget. [redacted]

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**EAST GERMANY-USSR: Threat of INF Countermeasures**

East German leader Honecker—in contrast with the tone of Soviet General Andropov's statement on INF yesterday—told visiting West German Social Democratic Party arms control expert Egon Bahr on Wednesday that the USSR would deploy “missiles of greater range” in Eastern Europe if NATO went ahead with INF deployments. Honecker also said Moscow would lift its moratorium on deployments of intermediate-range missiles in the western USSR and “relocate” some cruise missiles. Romanian President Ceausescu recently alluded to the possible deployment of intermediate-range missiles in East Germany and Czechoslovakia in response to NATO deployments. [REDACTED]

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**Comment:** These are the most direct public references thus far by Warsaw Pact leaders to possible placement of new missile systems in Eastern Europe as a potential Soviet countermeasure. Honecker's threat also contains the first mention of cruise missiles in this context.

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[REDACTED] While Honecker may not be fully informed about Soviet deployment plans and Ceausescu almost certainly is not, their statements would be seen by Moscow as useful in heightening public sentiment in Western Europe against INF. [REDACTED]

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**PHILIPPINES: Reaction to the Commission**

The four former Supreme Court Justices who have been named to the Independent Commission to investigate the murder of Benigno Aquino have reputations for independent thinking and fairmindedness, according to the US Embassy. On the other hand, the most respected of the nominees, former Justice Concepcion, has declined to participate on the grounds of age and poor health. Chief Justice Fernando, who is to head the Commission, is a known supporter of President Marcos. The Church, student groups, and lawyers are emphasizing the absence of any noted human rights justices and justices associated with the opposition, and they want these omissions corrected. [REDACTED]

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**Comment:** Public reaction has been reserved. The establishment of the Commission apparently is seen as an indication that the government is concerned about the outrage at home and abroad over the incident. Many members of the opposition who respect the former Justices but distrust Fernando are withholding judgment, while others denounce the latter as Marcos's “robot.” Concepcion's refusal to participate will damage the credibility of the Commission. [REDACTED]

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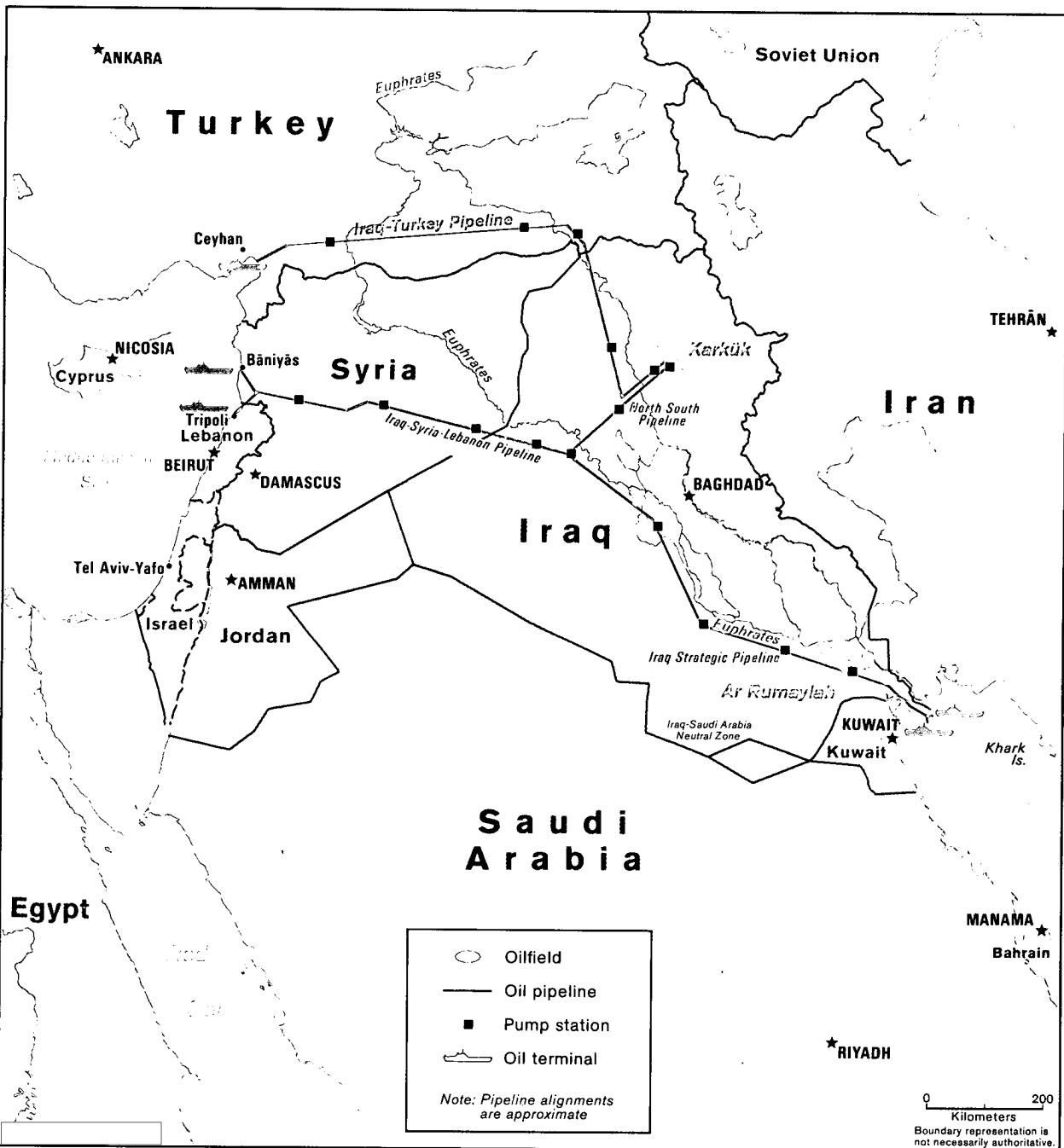
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**IRAN-IRAQ-TURKEY: Threat Against Oil Pipeline**

Tehran has renewed its threat to blow up Iraq's pipeline through Turkey, Baghdad's only oil export route. A senior official in the Iranian Foreign Ministry recently was quoted in the Turkish press as saying that Iran views the pipeline as belonging solely to Iraq and that increased trade between Iran and Turkey would compensate Turkey for the loss of transit fees. [REDACTED]

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**Comment:** The Iranian official's statements probably are intended to warn Baghdad not to interfere with oil exports from Khark Island, which the Iraqis recently have been threatening. Although loss of the pipeline would be economically devastating to Iraq, Tehran would need to destroy a pump station to shut down exports for an extended period. Past sabotage to pipeline sections has been repaired in a few days, and Turkey is unlikely to honor Iranian requests to close the pipeline. [REDACTED]

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**INDIA: New Head of Nuclear Program**

Raja Ramanna, a strong nationalist who may favor close cooperation with the USSR in nuclear matters, becomes chairman of India's Atomic Energy Commission and head of the Department of Atomic Energy on Tuesday. [REDACTED]

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[REDACTED] The US Consulate in Bombay reports persistent rumors that Ramanna holds anti-US views. [REDACTED]

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**Comment:** Ramanna is likely to be less willing than his predecessors to accommodate US views and may demonstrate his independence of Washington. [REDACTED]

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[REDACTED] Ramanna's appointment probably does not reflect a decision by Gandhi to proceed with the early detonation of another nuclear device or the development of nuclear weapons. [REDACTED]

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**AUSTRALIA-SOUTH PACIFIC: Nuclear-Free Zone Proposal**

Australia intends to propose the creation of a South Pacific nuclear-free zone when it hosts the annual meeting of South Pacific island heads of government on Monday and Tuesday. The proposal provides for free passage through the zone by nuclear-powered or nuclear-armed warships and by military aircraft. Canberra argues that this would satisfy the major concern in ANZUS about unimpeded navigation while preempting a more radical formulation by the islanders.

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**Comment:** The initiative is directed primarily at French nuclear testing in the South Pacific, but it threatens to institutionalize deepseated and exaggerated fears in the region concerning nuclear power and weapons. It also sidesteps the associated issue of port bans. Last year bans by Fiji and Vanuatu on port calls by US warships set a precedent that could hamper US military activity in the region. Although Fiji lifted its ban late last month, antinuclear agitation in Australia and New Zealand keeps alive regional concerns about nuclear-powered vessels.

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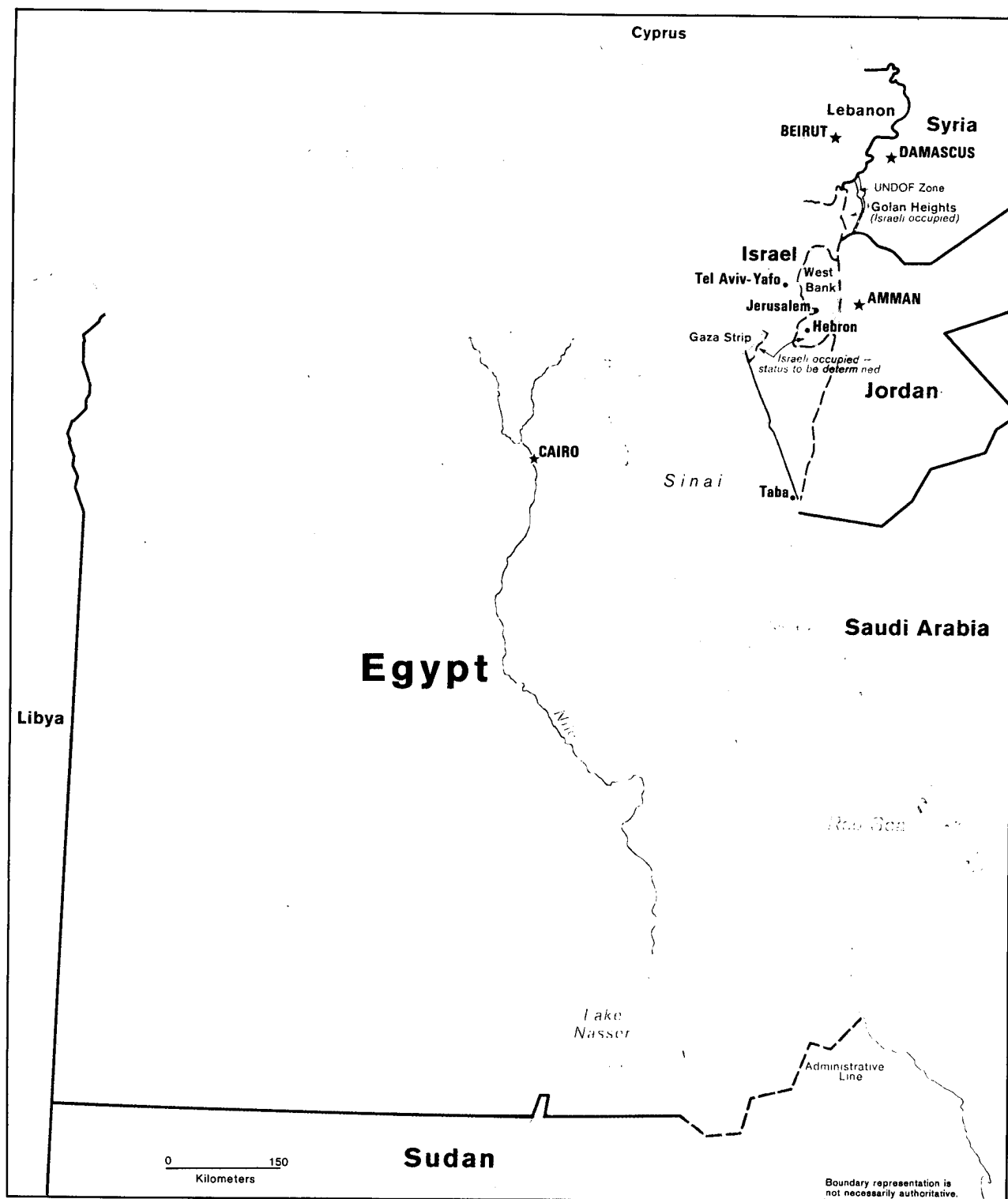
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## **Special Analysis**

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### **EGYPT-ISRAEL: Growing Frustration in Cairo**

*Egypt has become increasingly disillusioned with Israel's policies during the past several weeks. Its hopes for better bilateral relations and for a comprehensive peace in the Middle East have dimmed since May, when the Israeli-Lebanese agreement was signed. Cairo appears resigned to a continued diplomatic stalemate with Tel Aviv for at least another year. In the meantime, it will try to dissociate itself from Israel's most controversial actions while abiding by the Egyptian-Israeli peace treaty.* [ ]

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Egyptian spokesmen recently have intensified their criticism of Israeli policies in the West Bank, including the construction of Jewish settlements and other actions that are described as repression of Palestinian Arabs. Cairo holds the Israelis accountable for the terrorist shooting of Arab students in Hebron last month, because Israel controls security in the occupied territories. [ ]

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Egypt's deep concern about developments in the West Bank and Gaza stems from the commitment it made at Camp David to seek self-government for Palestinian Arabs. Its new outspokenness reflects growing doubts about Israel's willingness to negotiate a comprehensive peace. [ ]

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The Egyptian leadership evidently has concluded that muting its opposition will not persuade Israel to change its occupation policies. It probably calculates that it would only antagonize the Egyptian public and other Arab states. [ ]

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### **Absence of the Egyptian Ambassador**

Egypt has hardened its earlier conditions for returning its Ambassador to Tel Aviv. When the Israeli-Lebanese agreement was signed, President Mubarak and other leaders at first indicated that the accord satisfied their longstanding demand for an Israeli withdrawal from Lebanon. Cairo is now calling for Israel to vacate Lebanon even if Syria continues to reject the agreement. [ ]

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In addition, Minister of State Butrus Ghali has made vague but sweeping demands for an improved "political atmosphere" in Israel. Most other senior Egyptian officials, including Foreign Minister Ali, suggest that the return of the Ambassador is linked to progress in

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resolving other bilateral issues, particularly the dispute over the Sinai border at Taba. Ali has confirmed to US officials that a timetable for withdrawal of Israeli troops from Lebanon no longer is enough.

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Egypt is unlikely to return the Ambassador during the next several weeks, partly because this could mistakenly suggest approval of a partial Israeli withdrawal in southern Lebanon. Egyptian officials have voiced suspicions that the pullback will lead to the permanent partition of Lebanon and possibly to Israeli settlements in the south.

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### **Bilateral Issues**

The Israeli Energy Minister's trip to Egypt this week was the first cabinet-level visit between the two countries since before the Israeli invasion of Lebanon. It will do little, however, to resolve outstanding issues. The focus of the Minister's discussions—the \$500 million in annual Egyptian oil sales to Israel—is the only major aspect of the relationship to remain undisturbed during the past year.

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Until the Israelis see greater Egyptian willingness to expand trade other than oil and to move forward on other normalization issues, they are unlikely to show any flexibility regarding the dispute over Taba. Last month Cairo made a demarche to the US accusing Israel of violating previous understandings through new construction and other activities in the Taba area.

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There has been no movement on bilateral disputes since early June, when Egyptian and Israeli military liaison representatives reached a tentative deal involving such matters as policing of the border and recovery of Israeli dead from the Sinai. The deal was shelved when Egypt irritated Israel by inviting a UN committee to visit a Palestinian refugee camp along the border. The liaison representatives are not expected to meet again until October.

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### **Egyptian Expectations and Intentions**

Mubarak has repeatedly warned that progress toward a comprehensive Middle East peace has to be achieved by the end of this summer, before the US becomes preoccupied with its election campaign. As this deadline has approached, a tone of resignation has entered Egyptian comments about Israel and the peace process. Some senior Egyptian officials have spoken publicly about a trend toward "nationalist extremism" in Israel and are predicting ultimate Israeli annexation of the West Bank and Gaza.

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The President and his senior aides, however, still seem hopeful that they can improve relations with Tel Aviv and reestablish momentum toward a comprehensive peace after the US election. Presidential adviser Osama al-Baz recently predicted that an Israeli-Palestinian dialogue would begin in "two or three years." He described peace in the region as "still a crawling baby" that should be given an opportunity to develop. [REDACTED]

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The Egyptians continue to look to the US to exert leverage over Israel. For this reason, Cairo is becoming increasingly critical of what it regards as insufficient US pressure on Tel Aviv. Last week al-Baz publicly condemned the "lukewarmness" and "backtracking" of the US stand regarding West Bank settlements. [REDACTED]

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Despite the frictions with Tel Aviv, Egypt will remain committed to the Egyptian-Israeli peace treaty, which ended the state of war with Israel and resulted in the recovery of Egyptian territory and large-scale US aid. Mubarak's policy of honoring the treaty is supported by the politically important military, which strongly opposes any new war with Israel. [REDACTED]

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